

AMENDED IN ASSEMBLY APRIL 19, 2010

AMENDED IN ASSEMBLY MARCH 23, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2724

Introduced by Assembly Member Blumenfield

February 19, 2010

An act to amend Sections 2830 and 2851 of, to amend the heading of Chapter 7.5 (commencing with Section 2830) of Part 2 of Division 1 of, and to add Section 2831 to, the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2724, as amended, Blumenfield. Governmental Renewable Energy Self-generation Program.

(1) Under existing law, the Public Utilities Commission (CPUC) has regulatory authority over public utilities, including electrical corporations, as defined. The Local Government Renewable Energy Self-Generation Program authorizes a local government, as defined, to receive a bill credit, as defined, to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account.

This bill would rename the program the Governmental Renewable Energy Self-Generation Program. The bill would authorize a state agency, as defined, to receive a bill credit to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible state renewable generating facility, as defined, and would require the CPUC to adopt a rate tariff for the benefiting account.

(2) Decisions of the CPUC adopted the California Solar Initiative. Existing law requires the CPUC to undertake certain steps in implementing the California Solar Initiative including the requirement that the CPUC authorize the award of monetary incentives for up to the first megawatt of alternating current generated by solar energy systems, as defined, that meet the eligibility criteria established by the State Energy Resources Conservation and Development Commission (Energy Commission).

This bill would require the CPUC to authorize the award of monetary incentives for up to 5 megawatts of alternating current generated by an eligible state renewable generating facility that meets the eligibility criteria established by the Energy Commission for the California Solar Initiative. *The bill would require the CPUC to limit any incentives provided for eligible state renewable generating facilities, as specified, to ensure that those facilities do not receive an unreasonable portion of the available incentives under the California Solar Initiative and to ensure that certain goals and purposes of the California Solar Initiative are achieved.*

(3) Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the CPUC is a crime.

Because certain of the provisions of this bill require action by the CPUC to implement, a violation of these CPUC-imposed requirements would impose a state-mandated local program by creating a new crime.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The heading of Chapter 7.5 (commencing with
2 Section 2830) of Part 2 of Division 1 of the Public Utilities Code
3 is amended to read:

4
5 CHAPTER 7.5. GOVERNMENTAL RENEWABLE ENERGY
6 SELF-GENERATION PROGRAM

1 SEC. 2. Section 2830 of the Public Utilities Code is amended
2 to read:

3 2830. (a) As used in this section, the following terms have the
4 following meanings:

5 (1) "Benefiting account" means an electric service account, or
6 more than one account, located within a the geographical
7 boundaries of a local government or, for a campus, within the
8 geographical boundary of the city, county, or city and county in
9 which the campus is located, that is mutually agreed upon by the
10 local government or campus and an electrical corporation.

11 (2) "Bill credit" means an amount of money credited to a
12 benefiting account that is calculated based upon the time-of-use
13 electricity generation component of the electricity usage charge
14 of the generating account, multiplied by the quantities of electricity
15 generated by an eligible local government renewable generating
16 facility that are exported to the grid during the corresponding time
17 period. Electricity is exported to the grid if it is generated by an
18 eligible local government renewable generating facility, is not
19 utilized onsite by the local government, and the electricity flows
20 through the meter site and on to the electrical corporation's
21 distribution or transmission infrastructure.

22 (3) "Campus" means an individual community college campus,
23 individual California State University campus, or individual
24 University of California campus.

25 (4) "Eligible local government renewable generating facility"
26 means a generation facility that meets all of the following
27 requirements:

28 (A) Has a generating capacity of no more than one megawatt.

29 (B) Is an eligible renewable energy resource, as defined in
30 Article 16 (commencing with Section 399.11) of Chapter 2.3 of
31 Part 1.

32 (C) Is located within the geographical boundary of the local
33 government or, for a campus, within the geographical boundary
34 of the city or city and county, if the campus is located in an
35 incorporated area, or county, if the campus is located in an
36 unincorporated area.

37 (D) Is owned by, operated by, or on property under the control
38 of, the local government or campus. For these purposes, premises
39 that are leased by a local government or campus are under the
40 control of the local government or campus.

1 (E) Is sized to offset all or part of the electrical load of the
2 benefiting account.

3 (5) “Generating account” means the time-of-use electric service
4 account of the local government or campus where the eligible local
5 government renewable generating facility is located.

6 (6) “Local government” means a city, county, whether general
7 law or chartered, city and county, special district, school district,
8 political subdivision, or other local public agency, but shall not
9 mean a joint powers authority, the state or any agency or
10 department of the state, other than an individual campus of the
11 University of California or the California State University.

12 (b) Subject to the limitation in subdivision (h), a local
13 government may elect to receive electric service pursuant to this
14 section, if all of the following conditions are met:

15 (1) The local government designates one or more benefiting
16 accounts to receive a bill credit.

17 (2) A benefiting account receives service under a time-of-use
18 rate schedule.

19 (3) The benefiting account is the responsibility of, and serves
20 property that is owned, operated, or on property under the control
21 of the same local government that owns, operates, or controls the
22 eligible local government renewable generating facility.

23 (4) The electrical output of the eligible local government
24 renewable generating facility is metered for time of use to allow
25 calculation of the bill credit based upon when the electricity is
26 exported to the grid.

27 (5) All costs associated with the metering requirements of
28 paragraphs (2) and (4) are the responsibility of the local
29 government.

30 (6) All costs associated with interconnection are the
31 responsibility of the local government. For purposes of this
32 paragraph, “interconnection” has the same meaning as defined in
33 Section 2803, except that it applies to the interconnection of an
34 eligible local government renewable generating facility rather than
35 the energy source of a private energy producer.

36 (7) The local government does not sell electricity exported to
37 the electrical grid to a third party.

38 (8) All electricity exported to the grid by the local government
39 that is generated by the eligible local government renewable
40 generating facility becomes the property of the electrical

1 corporation to which the facility is interconnected, but shall not
2 be counted toward the electrical corporation's total retail sales for
3 purposes of Article 16 (commencing with Section 399.11) of
4 Chapter 2.3 of Part 1. Ownership of the renewable energy credits,
5 as defined in Section 399.12, shall be the same as the ownership
6 of the renewable energy credits associated with electricity that is
7 net metered pursuant to Section 2827.

8 (c) (1) A benefiting account shall be billed for all electricity
9 usage, and for each bill component, at the rate schedule applicable
10 to the benefiting account, including any cost-responsibility
11 surcharge or other cost recovery mechanism, as determined by the
12 commission, to reimburse the Department of Water Resources for
13 purchases of electricity, pursuant to Division 27 (commencing
14 with Section 80000) of the Water Code.

15 (2) The bill shall then subtract the bill credit applicable to the
16 benefiting account. The generation component credited to the
17 benefiting account shall not include the cost-responsibility
18 surcharge or other cost recovery mechanism, as determined by the
19 commission, to reimburse the Department of Water Resources for
20 purchases of electricity, pursuant to Division 27 (commencing
21 with Section 80000) of the Water Code. The electrical corporation
22 shall ensure that the local government receives the full bill credit.

23 (3) If, during the billing cycle, the generation component of the
24 electricity usage charges exceeds the bill credit, the benefiting
25 account shall be billed for the difference.

26 (4) If, during the billing cycle, the bill credit applied pursuant
27 to paragraph (2) exceeds the generation component of the electricity
28 usage charges, the difference shall be carried forward as a financial
29 credit to the next billing cycle.

30 (5) After the electricity usage charge pursuant to paragraph (1)
31 and the credit pursuant to paragraph (2) are determined for the last
32 billing cycle of a 12-month period, any remaining credit resulting
33 from the application of this section shall be reset to zero.

34 (d) The commission shall ensure that the transfer of a bill credit
35 to a benefiting account does not result in a shifting of costs to
36 bundled service subscribers. The costs associated with the transfer
37 of a bill credit shall include all billing-related expenses.

38 (e) Not more frequently than once per year, and upon providing
39 the electrical corporation with a minimum of 60 days' notice, the
40 local government may elect to change a benefiting account. Any

1 credit resulting from the application of this section earned prior to
2 the change in a benefiting account that has not been used as of the
3 date of the change in the benefiting account, shall be applied, and
4 may only be applied, to a benefiting account as changed.

5 (f) A local government shall provide the electrical corporation
6 to which the eligible local government renewable generating
7 facility will be interconnected with not less than 60 days' notice
8 prior to the eligible local government renewable generating facility
9 becoming operational. The electrical corporation shall file an advice
10 letter with the commission, that complies with this section, not
11 later than 30 days after receipt of the notice, proposing a rate tariff
12 for a benefiting account. The commission, within 30 days of the
13 date of filing, shall approve the proposed tariff, or specify
14 conforming changes to be made by the electrical corporation to
15 be filed in a new advice letter.

16 (g) The local government may terminate its election pursuant
17 to subdivision (b), upon providing the electrical corporation with
18 a minimum of 60 days' notice. Should the local government sell
19 its interest in the eligible local government renewable generating
20 facility, or sell the electricity generated by the eligible local
21 government renewable generating facility, in a manner other than
22 as required by this section, upon the date of either event, and the
23 earliest date if both events occur, no further bill credit pursuant to
24 subdivision (c) may be earned. Only credit earned prior to that
25 date shall be made to a benefiting account.

26 (h) An electrical corporation is not obligated to provide a bill
27 credit to a benefiting account that is not designated by a local
28 government prior to the point in time that the combined statewide
29 cumulative rated generating capacity of all eligible local
30 government renewable generating facilities within the service
31 territories of the state's three largest electrical corporations reaches
32 250 megawatts. Only those eligible local government renewable
33 generating facilities that are providing bill credits to benefiting
34 accounts pursuant to this section shall count toward reaching this
35 250-megawatt limitation. Each electrical corporation shall only
36 be required to offer service or contracts under this section until
37 that electrical corporation reaches its proportionate share of the
38 250-megawatt limitation based on the ratio of its peak demand to
39 the total statewide peak demand of all electrical corporations.

SEC. 3. Section 2831 is added to the Public Utilities Code, to read:

2831. (a) As used in this section, the following terms have the following meanings:

(1) “Benefiting account” means an electric service account, or more than one account, that is the responsibility of, or serves property that is owned, operated, or under the control of any state agency, that is located within the service territory of an electrical corporation in which the eligible renewable state generating facility is located, and which is designated by a state agency pursuant to this section.

(2) “Bill credit” means an amount of money credited to a benefiting account that is calculated based upon the time-of-use electricity generation component of the electricity usage charge of the generating account, multiplied by the quantities of electricity generated by an eligible state renewable generating facility that are exported to the grid during the corresponding time period. Electricity is exported to the grid if it is generated by an eligible state renewable generating facility, is not utilized onsite by the local government, and the electricity flows through the meter site and on to the electrical corporation’s distribution or transmission infrastructure.

(3) “Eligible state renewable generating facility” means a generation facility that meets all of the following requirements:

(A) Is an eligible renewable energy resource pursuant to Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1.

(B) Is located within the service territory of an electrical corporation within the state.

(C) Is owned by, operated by, or on property under the control of a state agency. For these purposes, premises that are leased by a state agency are under the control of the state agency.

(D) Is sized to offset all or part of the electrical load of the benefiting account.

(4) “Generating account” means the time-of-use electric service account of the state agency where the eligible state renewable generating facility is located.

(5) “State agency” means every state office, officer, agency, department, division, bureau, board, and commission or other state body, except those agencies provided for in Article IV (except Section 20 thereof) or Article VI of the California Constitution.

(b) Subject to the limitation in subdivision (h), a state agency may elect to receive electric service pursuant to this section, if all of the following conditions are met:

(1) A state agency designates one or more benefiting accounts to receive a bill credit.

(2) A benefiting account receives service under a time-of-use rate schedule.

(3) The benefiting account is the responsibility of, and serves property that is owned, operated, or on property under the control of a state agency.

(4) The electrical output of the eligible state renewable generating facility is metered for time of use to allow calculation of the bill credit based upon when the electricity is exported to the grid.

(5) The commission has given approval for the eligible state renewable generation facility to interconnect to that portion of the grid that is under its jurisdiction or the Independent System Operator has given approval for the facility to interconnect to the transmission system under its operative control.

~~(5)~~

(6) All costs associated with the metering requirements of paragraphs (2) and (4) are the responsibility of a state agency.

~~(6)~~

(7) All costs associated with interconnection are the responsibility of a state agency. For purposes of this paragraph, “interconnection” has the same meaning as defined in Section 2803, except that it applies to the interconnection of an eligible state renewable generating facility rather than the energy source of a private energy producer.

~~(7)~~

(8) The state agency does not sell electricity exported to the electrical grid to a third party.

~~(8)~~

(9) All electricity exported to the grid by the state agency that is generated by the eligible state renewable generating facility becomes the property of the electrical corporation to which the facility is interconnected, but shall not be counted toward the electrical corporation’s total retail sales for purposes of Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1. Ownership of the renewable energy credits, as defined in Section

399.12, shall be the same as the ownership of the renewable energy credits associated with electricity that is net metered pursuant to Section 2827, for all electricity generated by the eligible state renewable generating facility, whether exported to the grid or utilized onsite, shall belong to the electrical corporation.

(c) (1) A benefiting account shall be billed for all electricity usage, and for each bill component, at the rate schedule applicable to the benefiting account, including any cost-responsibility surcharge or other cost recovery mechanism, as determined by the commission, to reimburse the Department of Water Resources for purchases of electricity, pursuant to Division 27 (commencing with Section 80000) of the Water Code.

(2) The bill shall then subtract the bill credit applicable to the benefiting account. The generation component credited to the benefiting account shall not include the cost-responsibility surcharge or other cost recovery mechanism, as determined by the commission, to reimburse the Department of Water Resources for purchases of electricity, pursuant to Division 27 (commencing with Section 80000) of the Water Code. The electrical corporation shall ensure that the benefiting account receives the full bill credit.

(3) If, during the billing cycle, the generation component of the electricity usage charges exceeds the bill credit, the benefiting account shall be billed for the difference.

(4) If, during the billing cycle, the bill credit applied pursuant to paragraph (2) exceeds the generation component of the electricity usage charges, the difference shall be carried forward as a financial credit to the next billing cycle.

(5) After the electricity usage charge pursuant to paragraph (1) and the credit pursuant to paragraph (2) are determined for the last billing cycle of a 12-month period, any remaining credit resulting from the application of this section shall be reset to zero.

(d) The commission shall ensure that the transfer of a bill credit to a benefiting account does not result in a shifting of costs to bundled service subscribers. The costs associated with the transfer of a bill credit shall include all billing-related expenses.

(e) Not more frequently than once per year, and upon providing the electrical corporation with a minimum of 60 days' notice, the state agency may elect to change a benefiting account. Any credit resulting from the application of this section earned prior to the change in a benefiting account that has not been used as of the

1 date of the change in the benefiting account, shall be applied, and
2 may only be applied, to a benefiting account as changed.

3 (f) A state agency shall provide the electrical corporation to
4 which the eligible state renewable generating facility will be
5 interconnected with not less than 60 days' notice prior to the
6 eligible state renewable generating facility becoming operational.
7 The electrical corporation shall file an advice letter with the
8 commission, that complies with this section, not later than 30 days
9 after receipt of the notice, proposing a rate tariff for a benefiting
10 account. The commission, within 30 days of the date of filing,
11 shall approve the proposed tariff, or specify conforming changes
12 to be made by the electrical corporation to be filed in a new advice
13 letter.

14 (g) The state agency may terminate its election pursuant to
15 subdivision (b), upon providing the electrical corporation with a
16 minimum of 60 days' notice. Should the state agency sell its
17 interest in the eligible state renewable generating facility, or sell
18 the electricity generated by the eligible state renewable generating
19 facility, in a manner other than as required by this section, upon
20 the date of either event, and the earliest date if both events occur,
21 no further bill credit pursuant to subdivision (c) may be earned.
22 Only credit earned prior to that date shall be made to a benefiting
23 account.

24 (h) An electrical corporation is not obligated to provide a bill
25 credit to a benefiting account that is not designated by a state
26 agency prior to the point in time that the combined statewide
27 cumulative rated generating capacity of all eligible state renewable
28 generating facilities within the service territories of the state's
29 three largest electrical corporations reaches 500 megawatts. Only
30 those eligible state renewable generating facilities that are
31 providing bill credits to benefiting accounts pursuant to this section
32 shall count toward reaching this 500-megawatt limitation. Each
33 electrical corporation shall only be required to offer service or
34 contracts under this section until that electrical corporation reaches
35 its proportionate share of the 500-megawatt limitation based on
36 the ratio of its peak demand to the total statewide peak demand of
37 all electrical corporations.

38 SEC. 4. Section 2851 of the Public Utilities Code is amended
39 to read:

1 2851. (a) In implementing the California Solar Initiative, the
2 commission shall do all of the following:

3 (1) The commission shall authorize the award of monetary
4 incentives for up to the first megawatt of alternating current
5 generated by solar energy systems that meet the eligibility criteria
6 established by the Energy Commission pursuant to Chapter 8.8
7 (commencing with Section 25780) of Division 15 of the Public
8 Resources Code. For an eligible state renewable generating facility
9 authorized by Section 2831, the commission shall authorize the
10 award of monetary incentives for up to five megawatts of
11 alternating current generated by solar energy systems that meet
12 the eligibility criteria established by the Energy Commission. *The*
13 *commission shall limit the incentives provided for eligible state*
14 *renewable generating facilities for that portion of the generating*
15 *capacity that is greater than one megawatt, to not more than*
16 *one-half of 1 percent, to ensure that those facilities do not receive*
17 *an unreasonable portion of the available incentives under the*
18 *program and to ensure that the goals and purposes identified in*
19 *Section 25780 of the Public Resources Code are achieved.* The
20 commission shall determine the eligibility of a solar energy system,
21 as defined in Section 25781 of the Public Resources Code, to
22 receive monetary incentives until the time the Energy Commission
23 establishes eligibility criteria pursuant to Section 25782. Monetary
24 incentives shall not be awarded for solar energy systems that do
25 not meet the eligibility criteria. The incentive level authorized by
26 the commission shall decline each year following implementation
27 of the California Solar Initiative, at a rate of no less than an average
28 of 7 percent per year, and shall be zero as of December 31, 2016.
29 The commission shall adopt and publish a schedule of declining
30 incentive levels no less than 30 days in advance of the first decline
31 in incentive levels. The commission may develop incentives based
32 upon the output of electricity from the system, provided those
33 incentives are consistent with the declining incentive levels of this
34 paragraph and the incentives apply to only the first megawatt of
35 electricity generated by the system.

36 (2) The commission shall adopt a performance-based incentive
37 program so that by January 1, 2008, 100 percent of incentives for
38 solar energy systems of 100 kilowatts or greater and at least 50
39 percent of incentives for solar energy systems of 30 kilowatts or
40 greater are earned based on the actual electrical output of the solar

1 energy systems. The commission shall encourage, and may require,
2 performance-based incentives for solar energy systems of less than
3 30 kilowatts. Performance-based incentives shall decline at a rate
4 of no less than an average of 7 percent per year. In developing the
5 performance-based incentives, the commission may:

6 (A) Apply performance-based incentives only to customer
7 classes designated by the commission.

8 (B) Design the performance-based incentives so that customers
9 may receive a higher level of incentives than under incentives
10 based on installed electrical capacity.

11 (C) Develop financing options that help offset the installation
12 costs of the solar energy system, provided that this financing is
13 ultimately repaid in full by the consumer or through the application
14 of the performance-based rebates.

15 (3) By January 1, 2008, the commission, in consultation with
16 the Energy Commission, shall require reasonable and cost-effective
17 energy efficiency improvements in existing buildings as a condition
18 of providing incentives for eligible solar energy systems, with
19 appropriate exemptions or limitations to accommodate the limited
20 financial resources of low-income residential housing.

21 (4) Notwithstanding subdivision (g) of Section 2827, the
22 commission may develop a time-variant tariff that creates the
23 maximum incentive for ratepayers to install solar energy systems
24 so that the system's peak electricity production coincides with
25 California's peak electricity demands and that assures that
26 ratepayers receive due value for their contribution to the purchase
27 of solar energy systems and customers with solar energy systems
28 continue to have an incentive to use electricity efficiently. In
29 developing the time-variant tariff, the commission may exclude
30 customers participating in the tariff from the rate cap for residential
31 customers for existing baseline quantities or usage by those
32 customers of up to 130 percent of existing baseline quantities, as
33 required by Section 80110 of the Water Code. Nothing in this
34 paragraph authorizes the commission to require time-variant pricing
35 for ratepayers without a solar energy system.

36 (b) Notwithstanding subdivision (a), in implementing the
37 California Solar Initiative, the commission may authorize the award
38 of monetary incentives for solar thermal and solar water heating
39 devices, in a total amount up to one hundred million eight hundred
40 thousand dollars (\$100,800,000).

1 (c) (1) In implementing the California Solar Initiative, the
2 commission shall not allocate more than fifty million dollars
3 (\$50,000,000) to research, development, and demonstration that
4 explores solar technologies and other distributed generation
5 technologies that employ or could employ solar energy for
6 generation or storage of electricity or to offset natural gas usage.
7 Any program that allocates additional moneys to research,
8 development, and demonstration shall be developed in
9 collaboration with the Energy Commission to ensure there is no
10 duplication of efforts, and adopted by the commission through a
11 rulemaking or other appropriate public proceeding. Any grant
12 awarded by the commission for research, development, and
13 demonstration shall be approved by the full commission at a public
14 meeting. This subdivision does not prohibit the commission from
15 continuing to allocate moneys to research, development, and
16 demonstration pursuant to the self-generation incentive program
17 for distributed generation resources originally established pursuant
18 to Chapter 329 of the Statutes of 2000, as modified pursuant to
19 Section 379.6.

20 (2) The Legislature finds and declares that a program that
21 provides a stable source of monetary incentives for eligible solar
22 energy systems will encourage private investment sufficient to
23 make solar technologies cost effective.

24 (3) On or before June 30, 2009, and by June 30th of every year
25 thereafter, the commission shall submit to the Legislature an
26 assessment of the success of the California Solar Initiative program.
27 That assessment shall include the number of residential and
28 commercial sites that have installed solar thermal devices for which
29 an award was made pursuant to subdivision (b) and the dollar value
30 of the award, the number of residential and commercial sites that
31 have installed solar energy systems, the electrical generating
32 capacity of the installed solar energy systems, the cost of the
33 program, total electrical system benefits, including the effect on
34 electrical service rates, environmental benefits, how the program
35 affects the operation and reliability of the electrical grid, how the
36 program has affected peak demand for electricity, the progress
37 made toward reaching the goals of the program, whether the
38 program is on schedule to meet the program goals, and
39 recommendations for improving the program to meet its goals. If
40 the commission allocates additional moneys to research,

1 development, and demonstration that explores solar technologies
2 and other distributed generation technologies pursuant to paragraph
3 (1), the commission shall include in the assessment submitted to
4 the Legislature, a description of the program, a summary of each
5 award made or project funded pursuant to the program, including
6 the intended purposes to be achieved by the particular award or
7 project, and the results of each award or project.

8 (d) (1) The commission shall not impose any charge upon the
9 consumption of natural gas, or upon natural gas ratepayers, to fund
10 the California Solar Initiative.

11 (2) Notwithstanding any other law, any charge imposed to fund
12 the program adopted and implemented pursuant to this section
13 shall be imposed upon all customers not participating in the
14 California Alternate Rates for Energy (CARE) or family electric
15 rate assistance (FERA) programs as provided in paragraph (2),
16 including those residential customers subject to the rate cap
17 required by Section 80110 of the Water Code for existing baseline
18 quantities or usage up to 130 percent of existing baseline quantities
19 of electricity.

20 (3) The costs of the program adopted and implemented pursuant
21 to this section shall not be recovered from customers participating
22 in the California Alternate Rates for Energy or CARE program
23 established pursuant to Section 739.1, except to the extent that
24 program costs are recovered out of the nonbypassable system
25 benefits charge authorized pursuant to Section 399.8.

26 (e) In implementing the California Solar Initiative, the
27 commission shall ensure that the total cost over the duration of the
28 program does not exceed three billion three hundred fifty million
29 eight hundred thousand dollars (\$3,350,800,000). The financial
30 components of the California Solar Initiative shall consist of the
31 following:

32 (1) Programs under the supervision of the commission funded
33 by charges collected from customers of San Diego Gas and Electric
34 Company, Southern California Edison Company, and Pacific Gas
35 and Electric Company. The total cost over the duration of these
36 programs shall not exceed two billion one hundred sixty-six million
37 eight hundred thousand dollars (\$2,166,800,000) and includes
38 moneys collected directly into a tracking account for support of
39 the California Solar Initiative and moneys collected into other

1 accounts that are used to further the goals of the California Solar
2 Initiative.

3 (2) Programs adopted, implemented, and financed in the amount
4 of seven hundred eighty-four million dollars (\$784,000,000), by
5 charges collected by local publicly owned electric utilities pursuant
6 to Section 387.5. Nothing in this subdivision shall give the
7 commission power and jurisdiction with respect to a local publicly
8 owned electric utility or its customers.

9 (3) Programs for the installation of solar energy systems on new
10 construction, administered by the Energy Commission pursuant
11 to Chapter 8.6 (commencing with Section 25740) of Division 15
12 of the Public Resources Code, and funded by nonbypassable
13 charges in the amount of four hundred million dollars
14 (\$400,000,000), collected from customers of San Diego Gas and
15 Electric Company, Southern California Edison Company, and
16 Pacific Gas and Electric Company pursuant to Article 15
17 (commencing with Section 399) of Chapter 2.3 of Part 1.

18 SEC. 5. No reimbursement is required by this act pursuant to
19 Section 6 of Article XIII B of the California Constitution because
20 the only costs that may be incurred by a local agency or school
21 district will be incurred because this act creates a new crime or
22 infraction, eliminates a crime or infraction, or changes the penalty
23 for a crime or infraction, within the meaning of Section 17556 of
24 the Government Code, or changes the definition of a crime within
25 the meaning of Section 6 of Article XIII B of the California
26 Constitution.